

**Responses to Questions from Vice-Mayor Ecton  
Budget Subcommittee Work Session  
April 2, 2004**

**Convention and Visitors Bureau**

- ***Explain 14.1% increase in Personnel costs.***

**Response:**

The 14.1% increase is due to:

- An additional salesperson, as recommended by the 2003 “Group Meetings Industry Study” conducted by Gerard Murphy and Associates, to cover the secondary group markets identified as having significant potential group meeting business for Scottsdale.
- Additional visitor service staff for expanded coverage in Scottsdale CVB booths at Signature Events and for a Downtown location as requested by City staff; these two functions were previously handled by Downtown Scottsdale Partnership Ambassadors.
- An additional position for the creative services marketing staff is also being proposed to implement the new collateral needs; this is less costly than having the advertising agency work on the new collateral.

The increase also reflects an increase in benefits costs, of which approximately 20-25% are increased insurance costs, along with costs for eight employees who will become eligible for the full year 401K retirement program.

- ***Explain 17.3% increase in Operating Expenses.***

**Response:**

The 17.3% increase is due to:

- The first full year of regular office space rent, going from \$164,000 in FY 2003/04 to \$271,000 in FY 2004/05 (includes \$11,220 in parking); the first year was negotiated at a discounted rate in order to absorb other start-up costs within the available funds.
- Increases in phone, postage, technology/computers, corporate insurance and other miscellaneous overhead items; the City contract limits the percentage of overhead allowed to 17.5% of the contract amount and is monitored for compliance by City staff.

# *Scottsdale Cultural Council*



## Response to Budget Questions

Submitted by

Lori Ryan, VP of Finance and Administration

# Cultural Council Strategic Priorities for FY'04

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- Assure the relevance, diversity and leadership of arts programming for our community.
- Achieve a high level of financial strength and stability while encouraging and managing growth of the organization.
  - Development strategic plan to increase donor base and contributions
- Consider new opportunities to advance Scottsdale's capacity as an arts and cultural hub with regional and national recognition.
  - Explore theater district downtown Scottsdale; opening Theater 4301, opportunities of building re-use for performance space
  - Support city's pursuit of Western Art Museum
  - Determine evaluation criteria for new projects and opportunities
- Ensure the authority and accountability of its operating divisions.
  - Consider new governance structure

## Leverage City's investment

### Portion of City Funding /Total Revenue

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Actual FY'03	Goal FY'04	Projected FY'04
30%	32%	28%

## Meet financial objectives established in Operating Budget

	Actual FY'03	Goal FY'04	Projected FY'04
Revenue	\$9.3 mil	\$9 mil	\$10 mil
Expenses	\$9 mil	\$9.2 mil	\$10 mil

Meet program objectives

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**See Operating Division Mission and Vision  
Statement**

## Develop volunteer corps and increase donors

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	Actual FY'03	Goal FY'04	Projected FY'04
Donors	3000	3200	3400
Volunteers	900	925	925

## Obtain local and national recognition

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- Ongoing local and national press coverage
  - Coverage in all local publications, TV and radio
  - National coverage includes
    - NY Times
    - Extreme Makeovers on NBC scheduled to air in June
  - Additional coverage secured by SCVB
- Other recognition
  - Scottsdale History Hall of Fame Award
  - Nomination for Governor's Arts Award



## How justify 38% of city funding to SMOCA?

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- Master Agreement amended 1999 that requires Cultural Council to operate SMOCA and meet it's mission of quality programs which engage community.
- City acknowledged expansion of museum program in 2001 when it adjusted it's Master Agreement funding level by \$250,000.
- Unlike a performing arts venue, museum venues are more dependent on contributed revenue than earned revenue.

What would % of city funding would SMOCA receive if CC city funding were allocated between SCA, Public Art and SMOCA?

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**Pending clarification**

Would city receive more value if city funding and contributed revenue was used for SCA?

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- Pending clarification

## Why salary increases greater than proposed for city employees?

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- Cultural Council's budget is still a WIP.
  - Cultural Council has a compensation system based on merit, indexed by COLA and resource availability.
  - Cultural Council staff went without salary increases FY'03 and are still behind "market".

**QUESTION: WHAT LEGAL SUPPORT DOES RURAL METRO PROVIDE FOR ITS SCOTTSDALE FIRE DEPARTMENT?**

**RESPONSE:** Rural Metro has two full-time and one part time attorney positions and a full-time paralegal that provide legal support for all of their operations. Rural Metro does not assign attorneys by geographic area (such as a particular city) or department (such as fire or ambulance), so it cannot identify the amount of legal support directed solely to the Scottsdale Fire Department. Rural Metro does not do any litigation or labor work in house; it utilizes outside counsel for this work. In addition, Rural Metro did estimate that approximately .20 FTE is directed only toward litigation support and subpoena responses for the Scottsdale Fire Department. This is consistent with the previous estimate of approximately .25 FTE for litigation work that was submitted in the original decision package. The remaining .75 FTE would be directed toward legal work in other departmental support areas, such as employment, public records, procurement/contracts, general advice, benefits, etc.